Directors State Water Contractors Vince Wong, President Alameda County FC&WCD, Zone 7 1121 L Street, Suite 1050 · Sacramento, CA 95814-3944 Ray Stokes, Vice President Terry L. Erlewine - General Manager (916) 447-7357 • FAX 447-2734 Central Coast Water Authority Dan Masnada, Secretary-Treasurer Castaic Lake Water Agency Stephen N. Arakawa Metropolitan Water District of Southern Thomas N. Clark Kern County Water Agency Russell E. Fuller Antelope Valley-East Kern Water Agency Thomas R. Hurlbutt Tulare Lake Basin Water Storage District David B. Okita Solano County Water Agency Steven Robbins Coachella Valley Water District February 7, 2006 00202

FEB 1 4 2006

Mr. Lester Snow Director Department of Water Resources P.O. Box 942836 Sacramento, CA 94236-0001

RE: South Delta Improvements Program

Dear Mr. Snow:

On behalf of the State Water Contractors (SWC), I am writing to provide technical comments on the Department of Water Resources' (DWR) South Delta Improvements Program (SDIP) Environmental Impact Report/Statement (EIR/S). These technical comments supplement the separate policy comments of the SWC that we previously submitted.

The SWC¹ consists of 27 water agencies throughout the state that purchase water under contract with DWR. Our member agencies serve water to more than 20 million people in the Bay Area and Southern California, and 750,000 acres of irrigated farmland in the Central Valley. Our member agencies are fully committed to environmental protection and responsible water management, and regard the SDIP as a cornerstone in the system we need to meet California's water needs.

The SWC reviewed the EIR/S and have found it to provide a good description of the project and its potential environmental impacts. The following comments were identified that we feel will clarify the document:

Alameda County Zone 7 Water Agency, Alameda County Water District, Antelope Valley-East Kern Water Agency, Casitas MWD on behalf of the Ventura County Flood Control District, Castaic Lake Water Agency, Central Coast Water Authority on behalf of the Santa Barbara FC&WCD, City of Yuba City, Coachella Valley Water District, County of Kings, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Dudley Ridge Water District, Empire West-Side Irrigation District, Kern County Water Agency, Littlerock Creek Irrigation District, The Metropolitan Water District of Southern California, Mojave Water Agency, Napa County FC&WCD, Oak Flat Water District, Palmdale Water District, San Bernardino Valley MWD, San Gabriel Valley MWD, San Gorgonio Pass Water Agency, San Luis Obispo County FC&WCD, Santa Clara Valley Water District, Solano County Water Agency, and Tulare Lake Basin Water Storage District

Pages ES-8 to 9; and Pages 2-4 to 5 - Staged Decision Process Under CEQA/NEPA

The EIS/EIR outlines a process of staged decision-making that provides for a second round of public review of CEQA/NEPA compliance documents for the Stage 2 decision (see, e.g., Figure ES-3 and 2-1) and a second Notice of Determination starting a new CEQA challenge period "for those aspects of the SDIP EIS/EIR relied upon in the Stage 2 decision." The SWC appreciate the advanced commitment to a second round of public review and renewed CEQA challenge period, which is beyond the requirements of both CEQA and NEPA. However, the discussion of further judicial review of the SDIP EIR/EIS could be misunderstood to mean a re-opening of the Stage 1 decision and approval process. The SWC recommends that the discussion clarify that the aspects of the SDIP EIS/EIR that may be subject to judicial review in Stage 2 will be limited to substantial evidence relied upon in the supplemental decision documents that supports the Stage 2 decision. The Stage 1 decision and the CEQA/NEPA process supporting that decision will not be at issue at that time.

Page 1-10 - Background Purpose and Need

Many of the Delta-related programs and activities described in this section are also part of the baseline conditions. The SWC recommends clarification of this by revising the first sentence under this heading to state: "The following background and historical information provides additional context for understanding the SDIP purpose and need, as well as the baseline physical conditions for measuring project effects."

Page 1-20 - Characterization of Monterey Agreement

The short paragraph on the Monterey Agreement provides an incomplete and incorrect description of the amendments. Given that a more thorough discussion of the Monterey Agreement is provided a few pages later, the SWC recommends deleting this paragraph.

Page 1-26 - Characterization of Monterey Agreement

The water management provisions of the Monterey Agreement merely streamlined approvals for water management actions that had been in practice to varying degrees prior to the Monterey Agreement. In recognition of this, the SWC recommends that the last sentence on page 1-26 be revised as follows: The agreement also allows helps contractors to increase their own supply outside of SWP contracts through:" Similarly, on Page 5.1-16 the second sentence under the heading "Water Transfers" should be revised as follows: "...the 'Monterey Agreement' which changed the operating rules of the SWP to allow help facilitate banking and limited water transfers among SWP Contractors."

Page 1-27 - Characterization of Monterey Agreement

The SWC recommends that the EIR clarify that the Monterey Amendments are currently in effect by inserting the following prior to the last sentence under this heading: "Under the Settlement Agreement, the Monterey Amendments remain in effect."

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Page 2-13 - Alternatives and Interim Operations

The discussion of Interim Operations as a component of Alternative 2A is incorrect and misleading. The description of Interim Operations merely states the existing diversion capabilities under existing authorizations. The SWC recommends that the EIR/EIS clarify that diversions would continue as described for Interim Operations in all cases until such operation may be modified by the Stage 2 decision. Interim Operations should not be described as a component or otherwise associated with any particular alternative considered in this EIS/EIR.

The interim operations described in the EIS/R also include conditions for diversion of 8500 cfs that go beyond existing limitations and constraints. It is inappropriate and unnecessary to consider new conditions in SWP operations prior to the Stage 2 decision. In particular, maximum diversions should not be linked to dissolved oxygen in the San Joaquin River at Stockton. Dissolved oxygen at Stockton is influenced by several factors including, but not limited, to channel configuration, upstream nutrient loading, ambient temperature and flow. The CALFED Science Program is investigating how each of these factors influence dissolved oxygen, and it would be premature to single out SWP operations to address such a complex, interrelated problem.

Table 4-1 - Summary of Impacts and Mitigation Measures

The table recommends additional water quality actions at CCWD intakes for Stage 1, even though gates have no impact at these intakes. If additional water actions are to be recommended, they should be for Stage 2 rather than Stage 1.

Figure 4-2 - Potential Yield

Explanatory text should be added to clarify that transfers are a "potential" yield, and should not be directly compared with CVP and SWP yield.

Chapter 5 – Physical Environment (Impacts Assessment Approach)

The approach taken in the EIS/EIR to assess impacts is to measure 1) the project against the baseline for current (2001) conditions and 2) the project with related projects for 2020 conditions against an adjusted baseline containing related projects for 2020 conditions. While this is an appropriate and logical approach in describing effects in this case, it is not typical in that future effects of the project and cumulative effects of related projects are analyzed together. Also, with this approach, the future adjusted baseline conditions and the No Action alternative are one and the same. The Cumulative Impacts chapter (Chapter 10) does a good job of explaining the overall approach to the analysis. The SWC recommends that this discussion be moved or summarized to begin Chapter 5 to help explain the impact analysis and its results.

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Page 5.1-20 (3rd paragraph, second sentence)

Text should be corrected to read, "As the SWP contractor requests for the full Table A amount increase with increasing demand, the need to use the SWP facilities at their full design capacity will also increase.

Page 5.1-52 to 53 - Water Transfers Analysis

The second paragraph on Page 5.1-53 provides an accurate description of the water transfers analysis, that is, that water transfers are part of the cumulative effects subject to independent environmental review and not a component of the proposed project. Elsewhere in this section, however, the EIS/EIR suggests that impacts of water transfers represent indirect impacts of the project that must be mitigated (see, e.g., p. 5.1-52 "The environmental impacts that might be associated with these additional water transfers of 92 af/yr would be SDIP indirect project impacts, and must be mitigated to less than significant"; p. 5.1-53 discussing "indirect project impacts and applicable mitigation necessary for additional water transfers.")

The SWC recommends that the EIS/EIR clarify that the focus of the water transfers analysis is on the cumulative effects under CEQA, specifically whether the SDIP impacts when considered with impacts of other related projects are significant. "Indirect impact" is a NEPA term that is addressed by the cumulative impact and growth inducing analysis under CEQA. To avoid confusion the SWC recommends that references to indirect impacts and mitigation of indirect impacts be deleted.

Section 5.3 Water Quality - General Comments

This chapter of the EIS/EIR evaluates water quality impacts resulting from both the Stage 1 and Stage 2 decisions and concludes that no significant water quality impacts will result. While the Contractors agree with the conclusion that implementation of Stage 1 will have no significant water quality impacts, and in fact will provide substantial water quality benefits at many south Delta Channel locations, we believe additional study could be helpful in assessing water quality impacts associated with Stage 2.

The Contractors look forward to working with DWR in refining the analysis for the Stage 2 decision and identifying potential measures that could further minimize any adverse water quality impacts to our members' beneficial uses. Water quality improvements associated with the DIP, adopted by the California Bay Delta Authority in August 2004, may provide additional opportunities to ensure that on balance, significant water quality impacts are avoided and continuous improvement in Delta water quality is achieved.

Page 7.1-7 - Land and Water Use

The SWC recommends that the significance criteria for the conversion of agricultural land clarify that "important" farmland means farmlands that meet the state definition as prime, statewide important, unique, or locally important.



Page 8-24 - Compliance with Applicable Laws - Area of Origin

The SWC recommends revising the last sentence under this heading as follows: The proposed project will have <u>little no</u> effect on water supplies for North of Delta users area of origin water rights; therefore, this project is consistent with the area of origin legislation (see Section 5.1, Water Supply, for more detail.)

Page 9-15 - Growth-Inducing Impacts

To clarify that the two studies referenced in the last bullet cover both Southern California (LSA Associates) and Northern California (EIP Associates), the word "southern" should be deleted from this sentence.

Table 10-1

SVWMA should have a "y" indicated under criterion 2 to indicate that the action has recently completed environmental documentation or environmental documents are in some stage of development.

In conclusion, the SWC believe that the Draft EIR/S does a good job of describing project impacts and demonstrates that the SDIP provides the flexibility to meet water supply, water quality and environmental purposes. The SDIP is a key component of a responsible, balanced water supply program for the state. As such, we urge you to move forward with this critically needed project.

If you have any questions about these comments on the SDIP EIR/S, please contact me at (916) 447-7357.

Sincerely,

Terry L. Erlewine General Manager

Cc: SWC Member Agencies

Mr. Joe Grindstaff, Director, California Bay Delta Authority

Mr. Kirk Rodgers, Regional Director, Mid-Pacific Region, U. S. Bureau of Reclamation